

HOUSE BILL 2601

By Cochran

AN ACT to amend Tennessee Code Annotated, Title 49,  
relative to postsecondary student borrowing.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-1601, is amended by deleting the language "and Accountability Act" and substituting the language "and Tennessee Responsible Borrowing Initiative Act".

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 7, Part 16, is amended by adding the following as a new section:

(a) Beginning in the 2021-2022 academic year, each institution operated by the board of regents, each state university, and each campus in the University of Tennessee system shall provide students at least once, with a notice of financial aid eligibility given to a student, a detailed and completed current-year federal college financing plan. An institution may substitute a personalized and detailed institution-specific alternative to the federal college financing plan, if the institution's alternative provides, at a minimum, the following additional information:

(1) The total cost of attendance;

(2) The total amount per year of grants and scholarships awarded to the student, including those awards from the institution, state programs, and federal programs;

(3) The estimated total net cost, based on the institution's cost of attendance, to the student for one (1) year of attendance at the institution, after deducting amounts awarded through grants and scholarships;

(4) The total amount per year of actual student loans and estimated work study funds for which the student is eligible accompanied by the amount of each federal, state, or institutional loan by loan type and program origin, and estimated amount of work study funds from each federal, state, or institutional work study options; and

(5) Information and resources available relative to financial aid planning, loan repayment obligations, and responsible borrowing.

(b) Any information provided to a student under this part may include a statement that the estimates and prospective payment amounts provided are general in nature and not meant as a promise of actual projected amounts.

(c) When a student is finalizing acceptance of a financial aid package, the institution shall provide to the student in a prominent and highly visible manner:

(1) The net cost of the student's attendance; and

(2) An interactive student loan scenario calculator that demonstrates repayment levels based on cumulative prior student loans and potential new student loan amounts.

(d) Each institution shall provide additional financial aid information, including links to appropriate financial aid tools and resources, as determined by the Tennessee higher education commission.

(e) This section must not be construed to prohibit a student from accepting the full amount of financial aid and student loans for which the student is eligible to receive.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring

it.